

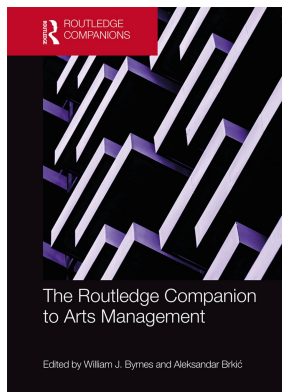
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22

ALIGNMENT

The nexus of effective strategic planning

Rebekah Lambert

Introduction

How do we make sure our next strategic plan does not sit on a shelf and get dusty? That is a bit of a cliché, but it is a still a very good question, frequently asked by arts leaders. Too often, strategic planning processes result in documents that fail to meet the needs of nonprofit arts organizations. They sit on that proverbial shelf, getting dusty literally or figuratively, and business continues without a shared sense of direction or a clear understanding of the goals and objectives needed to move forward. Even worse, skepticism can emerge, limiting prospects for a more effective process that results in a useful plan.

These common problems can be avoided if strategic planning begins with an acknowledgment that it is an evolving process. Strategic thinking, which needs to precede planning, recognizes that there is a need for organizations, plans, and processes to be responsive, concurrent with the ever-changing world we live in and with the concept of a learning organization that grows and adapts in an increasingly competitive business environment. There is a recognition that, even within a rigorous intellectual planning framework, each process and plan needs to be reflective of the individual organization, its mission, community, and its place in that community. This calls for strategy that is “adaptive,” “emphasizes learning,” and “reclaims the value of strategic thinking for the world that now surrounds us” and for leaders who are “continuously asking [themselves] . . . questions about [their] organizations, programs, and initiatives” (O’Donovan and Flower, 2013).

Strategy and strategic planning

At its core, strategy is simply about making decisions about the right things to do. (In the author’s experience, some apprehensive or skeptical arts organization leaders occasionally need to be reminded of this.) It is a “plan of action to achieve a goal or goal set” (Rollinson and Young, 2010). It answers fundamental and essential questions like: “Who are we? Where are we? Where do we want to go? How are we going to get there?” By inference, then, strategy is also about making decisions about what an organization does not want to do.

Good strategy is also about identifying an arts organization’s competitive advantage – its ability to engage the attention and resources of talented artists, dedicated volunteers, committed donors, like-minded program collaborators, and others – in order to put the organization in a

stronger, more sustainable position, better able to fulfill its mission and serve its stakeholders. It answers the questions: “What do stakeholders think of and feel about the arts organization? What are their needs? What are the impacts that they seek? Why does the community need this organization?” In *Good Strategy/Bad Strategy: The Difference and Why It Matters*, Richard Rumelt writes that the “most basic idea of strategy is the application of strength against weakness . . . or strength applied to the most promising opportunity” (Rumelt, 2011).

Therefore, strategic planning is understood to be the process through which an arts organization clarifies and affirms its vision (what does the organization ultimately want to accomplish?), mission (what does the organization do, who does it serve and how?), and values (what does the organization stand for?), as well as its goals (aims), strategies (priorities), and objectives (actions) for some set timeframe into the future. Keep in mind that a strategic plan is different from an operational or tactical plan, which translates the organization’s strategic plan goals and strategies into the “how,” the specific actions required for implementation.

A funder is often the impetus when starting a strategic planning process. While an organization meeting certain eligibility criteria for grant-funding may indeed be important, there are far more profound and long-lasting reasons for an arts organization to recognize the need for an effective strategic plan. Planning is connected with overall organizational effectiveness. A national survey of nonprofit 501(c)3 organizations, conducted by the Association for Strategic Planning (ASP) in 2012, found that “successful organizations make strategic planning a consistent/routine periodic process, and not just something they do in times of crisis, or because a funder requires it” (McNerney, Perri, and Reid, 2013). Strategic planning also helps organizational leaders prioritize and allocate scarce resources and understand the distinction between what is urgent and important versus what is simply urgent.

Because this chapter focuses on the characteristics of an effective strategic planning process, it is helpful to acknowledge upfront some of the challenges that can make a process ineffective. Randall Rollinson sets forth five pitfalls for organizations to avoid for the successful implementation of their strategic plans. (Rollinson, n.d.) Recognizing that managing the development and implementation of a strategic plan is a significant endeavor for any organization, Rollinson first reminds leaders of the risk of failing to acknowledge the importance of the “necessary preparatory steps” in the planning process. This critical early stage will be discussed in detail in the section on Alignment.

Second, in a “rush to define strategy,” many organizations fail to build a “common information base upon which sound strategic decisions can be made.” (The information gathering process is covered in this chapter under Discovery.) The third misstep that Rollinson points out is the “failure to successfully engage in ‘team-based’ strategic thinking.” Rather than relying on an “all knowing leader,” Rollinson advocates that “all levels of leadership be involved throughout the process – continuously.” Among other benefits, using this team approach builds commitment to the plan and enhances the likelihood of successful management and implementation of the plan once underway. Suggestions for ensuring that multiple stakeholders have input into the planning process are included here in Alignment, Discovery, and Action.

The fourth challenge in a strategic planning process is to not “use a balanced set of performance measures to monitor execution and make mid-course corrections.” Rollinson recommends that organizations deploy a diverse portfolio of success metrics that recognize the multiple facets of organizational and operational success. Finally, the fifth obstacle is a lack of execution. Execution of strategy takes considerable organizational resources and attention. Rollinson points out that implementation is “long-term and continuous” (p. 5). It requires deliberate attention and ongoing oversight from the boards and executives of arts organizations to “ensure the [right] work gets done” (p. 5). Both execution and measurement are incorporated in Action below.

Strategic planning as a cycle

The development of a strategic plan is not a standalone endeavor. Rather, strategic planning can be thought of as a cycle that flows from the development of the plan, to plan implementation, to evaluation, and back to planning as incremental revisions are made, or the plan is refreshed and updated. The cycle is represented as an ongoing process of Alignment, Discovery, Diagnosis and Decision which finally leads to Action (see Figure 22.1) and will be outlined in detail in this chapter.

In doing so, this chapter will focus on two representative arts organizations, briefly introduced in Table 22.1.

Alignment

Alignment embodies the recognition of Rollinson’s “necessary preparatory steps.” Alignment has two familiar definitions – the first, an arrangement of items in “correct relative positions,” and the second, “a position of agreement or alliance.” There is also an interesting lesser-known usage of alignment as the “route or course of a railway or road” (Oxford University Press, n.d.). It is helpful to keep the following three definitions in mind in the context of designing a pragmatic strategic planning process.

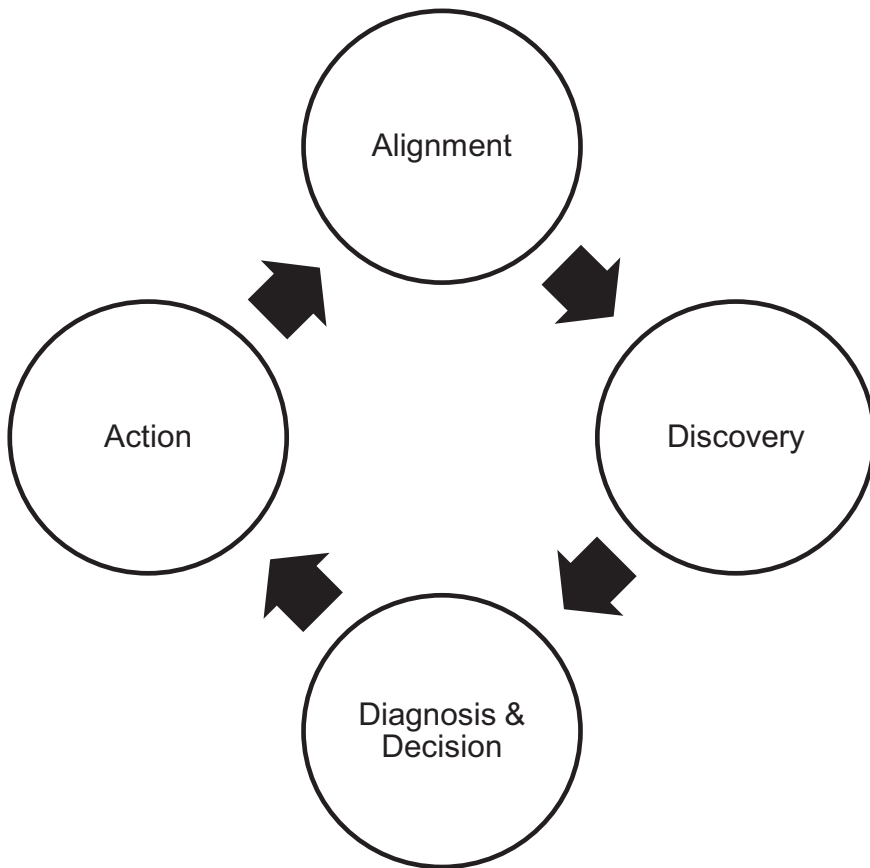


Figure 22.1 Strategic planning cycle

Table 22.1 Organization overview

	<i>Historical Museum</i>	<i>Orchestra</i>
Location	Small rural town (population approximately 25,000)	Large city (population between 500,000–750,000)
Annual Budget	Less than \$500,000	Approximately \$4 million
Mission	To preserve and interpret the history of the people, cultures, and commerce of our county as well as the natural history and fine arts of the region	To serve our community through extraordinary musical and education experiences
Program Snapshot	Exhibits and collections in cultural and natural history, quarterly newsletter, programs for adults, students, and families	Eight-concert masterworks series, holiday and pops presentations, summer parks concerts, school programs and other educational programs for children and adults
Personnel	Three paid staff members, including an executive director, plus a large pool of dedicated volunteers	Fully professional artistic, executive, and administrative staff; professional orchestra musicians under a collective bargaining agreement with the American Federation of Musicians

As items in relationship to each other, the first definition, Alignment requires an assessment of whether an organization is truly ready for strategic planning. Is there a shared sense of urgency and prioritization for this effort? Strategic planning requires a significant commitment of organizational resources – temporal, creative, intellectual, and likely financial – and this can be daunting to many arts organization executives and board members. For example, 43% of respondents to the ASP survey identified “lack of time to plan” as a challenge during plan development (McNerney, Perri, and Reid, 2013).

It is also important to recognize that it may not be a good time to undertake strategic planning if there are other significant initiatives underway that sap organizational attention and resources. Table 22.2 provides examples of those time-consuming initiatives for the Museum and the Orchestra. Other examples might encompass the opening of a significant exhibition, completion of a major commissioning project, or negotiation of a collective bargaining agreement or facility lease.

With the second definition of Alignment understood as agreement or common purpose, it is important to understand and agree on who should be engaged in guiding the strategic planning effort. In nonprofit arts and culture organizations, particularly those in the United States, the responsibility for strategic management of the institution is shared between the board and executive/artistic leadership. The board should have a more significant role in setting the overall strategic direction of the organization, and the staff should have the greater role in operationalizing and implementing the strategic plan. Both parties must have responsibility for measurement and evaluation (see Figure 22.2). As such, the most effective strategic planning processes are shared learning and decision-making efforts by board and staff, led by a strategic planning committee or task force made up of board members and senior executive and artistic staff. When appropriate, key volunteers and artists, such as musicians, curators, actors, and others closely engaged with programming the organization, are also included on that core committee. Table 22.3 shows how leadership of the strategic planning process is shared at the Museum and the Orchestra.

Table 22.2 Significant initiatives

	<i>Historical Museum</i>	<i>Orchestra</i>
Significant initiatives	The museum’s annual gala, which takes a considerable amount of volunteer effort and is the museum’s primary revenue generator, is in the fall. As a result, the museum decided to do its planning work in the spring.	The orchestra chose to delay strategic planning so that it could hire its new executive director before starting the planning process. The orchestra’s board of directors believed it was important for the new executive director to be involved in and have a voice in the process, rather than to inherit a plan done before his or her arrival to the organization. The board understood that being engaged and invested in the strategic planning process would prepare the executive director to commit to and act on strategic plan implementation, with full ownership in the future direction and actions of the organization.



Figure 22.2 Shared leadership of strategic management

Table 22.3 Leadership of the strategic planning process

	<i>Historical Museum</i>	<i>Orchestra</i>
Who guides the planning effort	The executive committee of the museum delegated responsibility for organizing its planning effort to a small ad hoc committee, comprised of the board chair, the chair of the volunteer committee, and the executive director.	The executive committee and the executive director chose a large strategic planning committee in order to include a diversity of internal stakeholders: several board members, representatives from the volunteer guild and the orchestra, the music director, the executive director, and staff department heads.

As a route or course, Alignment in its third definition constitutes deciding upon the full scope of the strategic planning effort, including timeframe, budget, and extent of research and information gathering at the start of the process. How is the organization going to get from its starting point to the result it wants? Any thoughtful planning process requires some additional

commitment of intellectual, financial, and temporal resources regardless of the size and scope of the organization, and that process must be designed simply and clearly with the organization's mission, vision, values, culture, and context in mind. Further, as the process unfolds, the organization may learn something that leads to a change in the process. New information, for example, about demographic changes in the school system might stimulate interest in gathering data on "best practice" school arts programs for a certain student age or demographic. Hearing that the local college is exploring the possibility of building a new student union with a recital hall may indicate a need for additional stakeholder interviews or research on the likelihood and impact of such an effort.

As arts organizations increasingly recognize that cultural equity is critical to their long-term sustainability, alignment must also include clarification of what diversity and inclusion mean to the organization in the context of its mission, vision, and values, as well as strategic planning. Americans for the Arts states:

Cultural equity embodies the values, policies, and practices that ensure that all people – including but not limited to those who have been historically underrepresented based on race/ethnicity, age, disability, sexual orientation, gender, gender identity, socioeconomic status, geography, citizenship status, or religion – are represented in the development of arts policy; the support of artists; the nurturing of accessible, thriving venues for expression; and the fair distribution of programmatic, financial, and informational resources.

(Americans for the Arts, 2015)

Each arts organization, by necessity, will regard diversity and inclusion differently, so this will require discussion and transparency from the start of the planning process. A strategic planning committee should review the organization's statement on cultural equity, or equivalent if such a document exists, and then ensure that the strategic planning process is in alignment with that statement. If an organization does not have such a statement, the strategic planning committee should still have a discussion about how the planning process will engage a broad representation of the stakeholders that the organization aims to serve. There are several ways, then, that this might be reflected in the process, such as:

- Making a community engagement survey multilingual so that community members may respond in the language they are most comfortable with, e.g., English, Spanish, or Chinese
- Having paper copies of an e-survey available at community locations for stakeholders who may not have computer/internet knowledge or access
- Scheduling town hall meetings or focus groups in various neighborhoods around the community, rather than expecting people to come to the gallery or the concert hall

This concept of Alignment then leads to the understanding that the breadth of a strategic planning process for the Museum with a relatively small staff and budget in a small rural town will likely differ from that for the much larger Orchestra, given the differences in their size, scope, artistic focus, programming goals, communities, and so forth (see Table 22.4).

This difference in the breadth of the strategic planning process, however, is easier said than done. An April 2017 board governance and planning survey distributed and administered by the management consulting firm Arts Consulting Group, Inc. to arts and culture organization executives and board members throughout North America, found only one-third rated their

Table 22.4 Summary of the scope of the strategic planning process

	<i>Historical Museum</i>	<i>Orchestra</i>
Scope of planning process	1-day summit for board, staff, and key volunteers	In-depth process over 6–8 months, facilitated by an external strategic management consultant
Goal	Identify top organizational priorities for the next 2 years	Develop a multi-year strategic plan, articulating the orchestra’s strategic direction, goals, strategies, timeline, financial impacts, assumptions, and performance measures

organization’s effectiveness at “aligning strategy and organizational culture” as extremely effective or very effective (Lambert, 2017). In this context, organizational culture encompasses the following:

- Consistent, observable patterns of behavior within an organization
 - Jointly held beliefs, shared awareness, and understanding of the organization
 - Shared values, 22 beliefs, and stories that bring people together in the organization
- (Watkins, 2013)*

Discovery

The Museum or Orchestra will have to decide what information is needed to make good decisions about its plans and priorities. An effective strategic planning process is grounded in Discovery – the gathering of quantitative and qualitative information about the organization’s strategic environment – that informs planning discussions and decision-making. Among the findings of the ASP survey is that “high success nonprofits are far more likely to engage in [multiple discovery activities] including looking at industry trends and their external environment” (McNerney, Perri, and Reid, 2013).

There is an emphasis on looking at the external environment. One hallmark of a well-rounded strategic planning process is that it looks outward for input and information, as well as inward through a process that is appropriately scaled for the organization. Management consultant Bruce D. Thibodeau notes that

Issues today in the arts and culture sector require examination from a cross-functional and multi-dimensional perspective, thus touching on every aspect of how internal and external stakeholders are involved in an institution’s stability, growth, and community service. . . . The most successful cultural organizations have discovered that a strategic process focused on stakeholder participation can demonstrate how an organization plays a central role in the cultural, educational, social, and economic development of your community. A complete trends analysis – social, technological, environmental, economic, political, legal, and ethical – is needed to understand what may influence future strategies.

(Thibodeau, 2012)

Just as in Alignment above, the Discovery phase must be scaled appropriately in the context of organizational resources, capacity, programs, and community (see Table 22.5). With that in

Table 22.5 Discovery process

	<i>Historical Museum</i>	<i>Orchestra</i>
Existing internal information reviewed	<ul style="list-style-type: none"> • Mission, vision, and values • Summary from the prior planning summit • Recent board meeting packets which include minutes, program updates, and financial statements 	<ul style="list-style-type: none"> • Mission, vision, and values • Prior strategic, operating, and program plans • Current budget and projections, prior year financial statements, audit • Past, current, and future program information • Ticket sales reports and trends • Fundraising reports and trends • Key policy documents/agreements, including bylaws, facility lease, and collective bargaining agreement • Organizational chart • Resumes of artistic/executive leadership • Board meeting packets and membership information
New internal information gathered	<ul style="list-style-type: none"> • Board self-assessment survey results 	<ul style="list-style-type: none"> • Board self-assessment survey results • Focus groups with board alumni and volunteers • Town hall meeting with musicians
New external information gathered	<ul style="list-style-type: none"> • The mayor, the executive director of the Chamber of Commerce, and the principal of County High School were each asked to come to a board meeting prior to the summit to talk about their perspectives on community priorities and needs 	<ul style="list-style-type: none"> • Findings from confidential interviews with external stakeholders, including funders, business and civic leaders, partner organizations, educators, guest artists, etc. • Patron survey (in Spanish and English) • Benchmarking of comparable organizations • Market and demographic information • Industry trends and best practices

mind, among other things, what might the Orchestra and the Museum include in their Discovery process? What information might their respective strategic planning committees want to gather to inform their learning and decision-making process?

Diagnosis & decision

In *Good Strategy/Bad Strategy*, Richard Rumelt also writes that good strategy contains, among other things, “a diagnosis that defines or explains the nature of the challenge” (Rumelt, 2011). Once all that information about the organization’s strategic environment is gathered and analyzed during the Discovery phase, a diagnosis must be made. Indeed, “a great deal of strategy work is trying to figure out what is going on. Not just deciding what to do, but the more fundamental problem of comprehending the situation.” To illustrate what is meant by a diagnosis:

Challenge: A theatre company is struggling to recruit and retain new board members.

Diagnosis: The possible explanations for that problem might include the following.

Possible recruitment issues:

- The Governance Committee is disorganized and ineffective. It does not meet regularly and does not have a plan of action.

- There are many long-term board members who are retired and no longer well-connected and engaged in the community. They struggle to identify potential candidates for board membership, beyond their social circles which are getting smaller every year.

Possible retention issues:

- The organization does not have an effective board orientation process. There is no mentoring of new board members. They do not even have a board manual.
- Board meetings are not well organized and not well attended. Board discussions are not interactive or strategic. There are a lot of reports and not a lot of dialogue. It is not very interesting or engaging.

An organization may choose to employ one of many analytical models and tools to encourage critical thinking and to support decision-making based on what it learned from the Discovery phase. Many organizations that the author has worked with find that engaging in a strengths, weaknesses, opportunities, and threats (SWOT) analysis is useful to create and update organizational objectives. A **SWOT Analysis** is a “clear-cut and effective strategic planning tool that quickly identifies areas to build upon, challenges to remedy, opportunities to prioritize, and threats to address” (Lambert and Mraz, 2017). Table 22.7 shows how the Museum might bring together information from its Discovery phase into its Diagnosis and Decision phase, using a SWOT analysis.

Other organizations may need or desire an additional or different analytical framework to help their strategic planning committees assess the information from the Discovery process. The next several paragraphs demonstrate two strengths-based frameworks. These can be particularly appealing and effective, given the distinct characteristics of nonprofit arts and culture organizations that often rely on the passion and drive of volunteers and donors while striving for excellence in artistic practices. Building on strengths helps to “[link] strategy and execution closely together by creating distinctive, complex capabilities that set . . . [arts organizations] apart” (deSousa, Kauffeld, and van Oss, 2017). An arts organization can use one of these frameworks to understand those capabilities which add the most stakeholder value, as well as those that the organization must continue to develop in order to grow and maintain its competitive advantage with patrons, donors, board members, artists, partners, and others.

Building on strengths is perhaps best exemplified by Jim Collins’s **Hedgehog Concept** in which an organization focuses on the intersection of three concentric circles representing (1) what the organization is most passionate about, (2) what drives the organization’s resource engine (time, money, brand, etc.), and (3) what the organization can uniquely contribute to its stakeholders and community. The key strategic idea behind the Hedgehog Concept is to articulate that which truly moves the organization forward and then “[to exercise] the relentless discipline to say ‘No thank you’ to opportunities that fail the Hedgehog Test.” Collins writes that

the most critical step in the Hedgehog Concept is to determine how best to connect all these three circles so that they reinforce each other. An organization must be able to answer the question, ‘How does focusing on what we can do best tie directly to our resource engine, and how does our resource engine directly reinforce what we can do best?’

(Collins, 2005)

The **Core Competencies framework** is similar in spirit to Collins’s hedgehog. Developed by C. K. Prahalad and Gary Hamel, this approach recognizes that “organizations develop key

areas of expertise that are distinctive to their business and critical to long-term growth” (Rollinson and Young, 2010). The core competencies framework can help an arts organization home in on and build those unique attributes that both help the organization advance its mission and are most valued by stakeholders, whether that means valued by buying a ticket or valued by contributing. Similar to Collins’ advice to say “no” to those things that fail the Hedgehog Test, this framework also helps an arts organization distinguish those things that are outside of its core.

Putting either of these frameworks into action means that an organization has to incorporate fully the information gathered in the Discovery process. An organization is not using either of these frameworks appropriately if it relies solely on discussions amongst internal stakeholders about what it thinks it does best or what it thinks donors and ticket buyers “should” support. Here are two hypothetical examples to illustrate:

- 1 A chamber music festival used the “hedgehog” framework as a tool to understand and collate quantitative and qualitative data from the Discovery process to affirm its mission.

Hedgehog: Quality performances of rarely performed works

Information from the Discovery process:

- In meetings and interviews, board members, the artistic director and executive director, musicians, and staff uniformly expressed curiosity about, enjoyment of, and commitment to the presentation of rarely performed works. They love finding and bringing these works “to life.” (*What is the organization passionate about?*)
- A market scan of chamber music presenters and festivals in the region showed that those other organizations generally programmed better-known repertoire with standard instrumentation (i.e., string quartets, piano trios). (*What can the organization uniquely contribute to the people it touches?*)
- Focus groups with ticket buyers revealed that they value the unusual experience of repertoire new to them and that they are willing to buy tickets from this particular festival, with which they associated this repertoire/knowledge/expertise. (*What drives the organization’s resource engine?*)

- 2 A professional chorus used the “core competency” framework as a tool to understand and collate quantitative and qualitative data from the Discovery process and to prioritize an aspect of its education program for expansion.

Core competency: Professional development and training of young artists

Information from the Discovery process:

- Young artists bolster the ranks of the professional chorus for large works, and they are also engaged in a significant number of outreach activities for the chorus to schools and community organizations. (*Does this competency contribute to the organization’s long-term growth? Does it strengthen more than one program/aspect of its work?*)
- The chorus has the only young artist program for singers in its region of the country. The Artistic Director has connections with and does master classes and workshops at major conservatories. These relationships facilitate the recruitment of top talent to the chorus’s young artist program. (*Is this hard for others to provide to stakeholders? Is it unique to the organization?*)
- In focus groups, current young artists, as well as alumni, talked about how extraordinary the program is for their artistic and professional development. In feedback surveys, schools and community organizations responded positively and indicated that they would continue to invite the young artists. Interviews with current funders showed

alignment with their interests and values and a desire to see the program grow. (*Is this valued by stakeholders? Does this contribute directly to serving the organization's stakeholders?*)

As articulated in a recent *Forbes* article, using a strengths-based framework can help an arts organization realize a “strong and sensible” nonprofit strategy that “is built on existing capabilities,” “ignites the passions of those who must implement it,” and “is aligned with stakeholders who care enough to open their wallets” (Latham, 2016).

There are other analytical frameworks that an arts organization may choose to deploy during the Diagnosis & Decision phase. Briefly, among these is the **Balanced Scorecard**, which is particularly helpful when an organization wants to ensure a process that provides a cohesive set of strategies across multiple aspects of the organization and emphasizes the linkage between the strategic plan and execution. This scorecard focuses on four strategic perspectives – customer or stakeholder, internal processes and operations, learning and growth, and financial or stewardship – and defines strategic objectives and performance measures for each (Rollinson and Young, 2010). Again using the information gathered in the Discovery phase, this would lead an organization to identify at least one objective for each perspective, such as the following which might be appropriate for a regional museum:

- Stakeholder Perspective: astound visitors with compelling interactions, including objectives including to upgrade learning experiences and increase use of technology in the visitor experience
- Internal Processes and Operations: enhance internal capacity to achieve the organization's mission, including objectives to implement a new collections plan and better use of technology to disseminate content
- Learning and Growth: build leadership for the future, including objectives to recruit board members who reflect the diversity of the region and build a volunteer program
- Stewardship: ensure future financial stability, including objectives to maintain the financial discipline to continue operating in the black and ensure proper ongoing maintenance of the building and grounds

The **MacMillan Matrix**, developed by Ian MacMillan of the Wharton School of Business, is especially useful if an organization needs to make strategic decisions among an array of programs and how well each aligns with organizational mission, skills, and resources (Straughan, 2003). A community arts center with multiple overlapping programs serving youth might use this matrix to understand which among those many programs (1) has the stronger fit with the center's mission, (2) has the better match with the skills and capacity of the center's teaching artists, (3) is most likely to attract financial resources (tuition, donations, grants), and (4) is unique in its community (that is, other organizations are not providing the same or a similar program). The matrix then would allow the arts center to strategically and wisely prioritize limited resources in the growth of some programs, while also perhaps identifying a handful of other programs to phase out (see Table 22.6).

Regardless of the model chosen, as illustrated in Table 22.6, an effective planning process is well-served by the use of an analytical framework to support strategy prioritization and decision-making,

As the organization completes the Diagnosis and Decision part of the planning cycle, it should reaffirm its vision, mission, and values, in the context of everything it has learned and discussed throughout the process. With heightened understanding, as the

Table 22.6 MacMillan Matrix for two of the community arts center programs

<i>Program</i>	<i>Mission Fit?</i>	<i>Skills Fit?</i>	<i>Resources?</i>	<i>Unique?</i>	<i>Decision?</i>
Arts & literacy for 4th–6th graders	YES	YES	YES, but limited	NO – public library has a similar after school program	Start referring kids to the library, talk to library about partnership opportunities
Dance fitness for middle school students	YES	YES	YES	YES – most “fitness” programs for this age group are sports-related	Continue, and explore possibility of adding a program for younger children

organization begins to make decisions about its strategic priorities, it returns to the questions: “What is the vision for the organization? Does the mission support this vision? How are values manifested internally and externally? Do programs align with the mission, vision, and values?”

While vision, mission, and values are not discussed in detail in this chapter, it is important to point out the role that values can play in the process of strategy prioritization. Values can serve as a filter for the selection of organizational strategies and can also help ensure that strategy selection is in alignment with an organization’s highest ideals (Lambert, 2016). About the planning process at the Jerome Foundation, Ben Cameron writes that “before we tackled the questions or strategies, goals, programs, initiatives, and so on, we stopped to ask ourselves, ‘Within this universe of need and urgent advice, what do we want to stand for?’ ‘What, in essence, are our core values?’ Rather than letting our mission and goals set the framework for our programs, we believed that our value and values should set the framework from which our mission and goals would arise” (Cameron, 2018). See Table 22.7 for an example of how values and strategic decisions can align.

Connecting Discovery to Diagnosis & Decision

Now, by way of example, to put Discovery and Diagnosis & Decision together, let’s assume that the two representative organizations both identify declines in earned revenue as a concern (admissions for the Museum, ticket sales for the Orchestra). Rather than setting a goal to increase admissions or ticket sales, each organization needs a thorough diagnosis of the nature of the challenge to determine the actions to take in response. Each must ask and answer: “What is really going on here? Moreover, what can be done about it, given the organization’s resources and capabilities?”

Table 22.7 provides a simplified illustration of how the Discovery and Diagnosis & Decision phases might result in the selection of strategies and actions for the Museum and the Orchestra, recognizing their differences in mission, values, program, capacity, and community. The result of these processes is to reach decisions about actionable strategies that will be used when the plan is implemented.

The final step of the Diagnosis & Decision phase is to pull this all together into a planning document, again as appropriate for the scale of the organization.

An arts organization’s strategic plan should be focused and uncomplicated. The organization is more likely to be successful in advancing its mission and implementing its strategic plan if it

Table 22.7 Simplified outcome of the discovery and diagnosis & decision phases, with selected strategy and actions

	<i>Historical Museum</i>	<i>Orchestra</i>
Issue	Decline in admissions	Decline in ticket sales
Relevant information gathered during discovery phase	The mayor and the executive director of the chamber of commerce both said that they are often not aware of what is going on at the museum The high school principal said that one of his goals is to develop more school/business partnerships to expand on the educational opportunities available to students in the classroom	In the patron survey, approximately three-quarters of respondents identified the soloist/guest artist as being important to their decision to attend a performance. This was the ranked the highest among several options, including ticket price, familiarity with repertoire, etc.
Diagnosis	The museum needs to be more present and visible, out-and-about in the community	Selection of the guest artist is critical to patron buying decisions. We need to pay more attention to this
Analytical model	A SWOT analysis helped to Board match an opportunity – partnership with the school – with strengths that the museum could build on to respond to that opportunity – a unique skill set in the community in the area of exhibit curation and underutilized exhibit space	The Hedgehog Concept helped the strategic planning committee recognize part of what drives their resource engine – patrons and donors respect the Music Director and trust her artistic choices – and that they uniquely touch guest artists who report that they love working with the Music Director and the orchestra.
Values alignment	Learning Community	Musical excellence Creative collaborations
Decision about strategy & actions	Priority: develop a partnership with County High School for an annual exhibit of student artwork to bring students and their families to the museum and to build visibility and community relevance Desired timing for first exhibit: next spring Who’s responsible: Executive Director First step: meeting with school principal to suggest the idea, goal to schedule that meeting within two weeks of the summit and report back at the next board meeting	The orchestra prioritizes bringing extraordinary guest artists to enhance the artistic experience for both musicians and audience members Specific objective (among several): Program at least two young artists making regional or national debuts, or recent winners from prominent competitions, each season

focuses on only two or three prioritized strategic initiatives, rather than attempting to tackle a laundry list of every new goal or opportunity unearthed during the Discovery phase of the process. The organization should also keep in mind that whatever is in the strategic plan is above and beyond the ongoing general operations of the organization, requiring that organizational

capacity to take on new initiatives must be considered. Finally, the strategic plan should be considered as a working document that will be periodically revised as progress is evaluated, lessons are learned, and new opportunities emerge. Of the managers who responded to the ASP survey, 60% noted that one key to success in plan development is to “focus on making the goals, objectives, and other content concise and making them understandable for planning participants” (McNerney, Perri, and Reid, 2013).

As a result, the Museum may find a plan consisting of a summary of the summit discussion, with an outline of the school partnership and one or two other priorities useful and adequate (see Figure 22.3). Given its programs, capacity, and resources, the Orchestra’s strategic plan will likely be a far more detailed document that sets forth the organization’s vision, mission, values, goals, and strategies, together with performance measures, a timeline, and financial impacts.

Action

The Action phase is particularly challenging because it asks arts leaders to simultaneously manage the busy day-to-day operations and needs of their organizations while also keeping a focus on long-term goals and priorities. Rollinson reminds organizational leaders that “acting on strategy requires much more time, commitment, and resources than the planning process ever consumes” and that “the competencies required for implementation and ongoing management are just as complex and demanding as those required for planning” (Rollinson, n.d.). Most strategy implementation also depends on the efforts of many people, requiring each of those individuals to understand and commit to the organization’s strategic direction. Getting back to the question at the beginning of this chapter, how then can an arts organization ensure the strategic plan moves into Action, instead of sitting on that dusty shelf? Beyond ensuring that the plan has focus and discipline in recognizing organizational capacity, here are three recommendations.

Historical Museum Strategic Priorities 2018–2020

Approved by the Board of Directors on May 23, 2018

Mission: To preserve and interpret the history of the people, cultures, and commerce of our county as well as the natural history and fine arts of the region.

Vision: Our Historical Museum honors the rich and unique history of our county, celebrates its present, and imagines its future.

Values: Learning, Community, Stewardship, Integrity

Priority 1: Strengthen our connection to and relevance in our county.	Develop a partnership with County High School for an annual high school art exhibit – Executive Director and Education Committee
	Become an active member of the Chamber of Commerce tourism committee – Executive Director

Priority 2: Prioritize board and volunteer development.	Do a better job of matching volunteer skills and interests with volunteer jobs – Volunteer Committee
	Implement a board orientation and mentoring program – Governance Committee

We will monitor progress on these priorities through monthly reports at board meetings.

Figure 22.3 Historical museum strategic priorities

First, Action starts with accountability. One can look beyond the nonprofit sector for data on this topic. Based on survey research drawn from more than 26,000 people in 31 companies, among those companies that are successful in strategy execution, 71% of individuals agreed with the statement: “Everyone has a good idea of the decisions and actions for which he or she is responsible.” In companies that are weak in strategy execution, that percentage dropped to 32% (Neilson, Martin, and Powers, 2008). In arts organizations, overall accountability for ensuring that the strategic plan is acted upon is rightly shared between the board and staff leadership. This accountability then needs to cascade down within the organization, regardless of its size and scope, so that department heads, volunteer committee chairs, staff teams, and individual staff members all understand their roles in the implementation of specific objectives.

How is this cascading accomplished? Most arts organizations find it helpful to translate the long-term goals and strategies into plans for implementation, action, or operations. Such plans provide a practical roadmap for the concrete steps required to turn strategy into action and results. This topic is worthy of a chapter of its own, but here are a few recommendations:

- Keep these plans simple
- Engage the staff members who will do the work in plan development
- Break the plan onto doable chunks
- Be clear about the timeline, roles, responsibility, and metrics
- Be flexible to allow for learning and revisions along the way

(Harvard Business Essentials, 2005)

Second, accountability requires measurement. An arts organization needs metrics by which it can measure action and progress on and learn from its strategic plan. These metrics need to be relevant, understandable, simple to measure, and multi-dimensional. For example, in addition to the prioritization of guest artists, the Orchestra, wanting to address that decline in ticket sales, might identify objectives around the growth and diversification of its audience with three metrics to track: (1) overall increase in paid audience (i.e., 2% in the first year of the plan), (2) development of new partnerships/collaborations with business and community organizations, (i.e., two new group sales partnerships per season), and (3) results of a pilot “Invite a Friend” initiative to engage the connections of current patrons (i.e., 50 “Invite a Friend” coupons redeemed and qualitative feedback from patrons). Such metrics demonstrate both mission impact (serving more of the community) and resource effectiveness (increased ticket sales through a diversity of marketing tactics to meet the needs and interests of ticket buyers).

Third, Action recognizes that “strategy is not a matter of immaculate conception, where you get a single answer and forever rule out other options. . . . You need to think about your strategy as an open, living thing. You start out by defining who you are as a company. But then you try it out, and discover that it’s not working so well, so you adjust it” (Favaro and Kleiner, 2013). There needs to be a set process for routine check-in, evaluation of progress, and revision of the plan when new information is learned or when unanticipated opportunities or challenges emerge. The findings of the ASP survey “[indicate] that high success Nonprofits are more disciplined in conducting systematic implementation practices. . . . [S]taff and board leaders must put reasonable processes for assessment and reporting into place, and keep in mind that highly successful Nonprofits do this 3 to 4 times per year” (McNerney, Perri, and Reid, 2013). It is important that the plan not get stale; periodic updates and changes as circumstances change should be expected.

Returning to the Museum and the Orchestra one last time, Table 22.8 shows how strategies and outcomes, along with accountability, metrics, and evaluation, can be systematically put into Action at the Museum and the Orchestra.

Table 22.8 Overview of strategy & outcomes put into action

	<i>Historical Museum</i>	<i>Orchestra</i>
Strategy & outcomes	The museum will develop a partnership with County High School for an annual exhibit of student artwork to bring students and their families to the museum and to build visibility and community relevance	Program at least two young artists making national debuts, or winners from nationally and internationally renowned competitions, each season
Accountability	Executive Director, who sets up a Project Committee with the Exhibits Curator, the Chair of the Education Committee, and the County High School art teacher	Music Director and Director of Artistic Operations
Cascade from strategic plan	Project plan – a one-page document that includes key dates, assignments, and a project budget	Artistic plan – a multi-year document that is updated annually and identifies long-term artistic projects and goals; timelines for finalizing dates and repertoire and for selection/contracting guest artists; detailed budget and projections, etc.
Metrics	Increased communication and connection with school leadership Successfully implementing the exhibit Number of student artists and pieces of art Number of people who attend the opening of the exhibit Local news coverage	Number of young artists or competition winners each season Increased patron engagement in social media and pre/post-concert activities with artists Single tickets sold for these concerts Feedback on artists from reviews, audience comments, and surveys
Evaluation	The Executive Director will provide monthly progress reports to the Board, and a project report after the exhibit closes. The school principal and art teacher will be involved in a post-exhibit debrief to assess success of the event, whether both parties want to continue the partnership, and what might be done differently in the future	The Strategic Planning Committee will meet twice a year to monitor progress on the plan and to recommend any additions, changes, or extensions

Alignment revisited

Ultimately, the planning cycle returns to Alignment. It then becomes clear that the mark of an effective strategic planning process, and its resulting strategic plan – that nexus – is that *it is in Alignment, with itself, the organization, and the community.*

Consider the alignment that emerges through the Museum’s planning process. The community, as manifest through the input received from the high school principal during the Museum’s discovery process, voiced an interest in more programs to serve young people. This community need aligns with the Museum’s values of “learning” and “community,” and the Museum has capacity within the expertise of its staff (exhibit curation) and the resources of its facility (underutilized exhibit space) to support a new program or initiative to help meet that need.



Figure 22.4 Alignment as nexus

These come together in the Museum's plan with the priority to develop a partnership with County High School for an annual exhibit of student art.

An effective strategic planning process – one that results in a useable plan that moves the organization forward – requires that the right people, engaged at the right time, take ownership of a process that is well-articulated and appropriate for the organization's size and sophistication. Then, an appropriately scoped Discovery process looks inward and outward by soliciting input from internal and external stakeholders and by gathering information about the organization's external environment and market trends. The data and research from that process inform a greater understanding of customer value and the world in which the organization operates. From there, a cogent critical thinking framework helps the organization understand the issues at hand and provides a structure for the selection of goals and actions that flow logically from vision, mission, and values, and are congruent with each other as well as with organizational capabilities and resources. That process then results in a usable strategic plan that is straightforward and compellingly stated and takes into account the organizational capacity to take on new projects while continuing with busy daily operations. It includes a prioritized set of strategic initiatives that logically advance the organization and can be cascaded into concrete action plans that allow for flexibility and continuous improvement.

Clear-headed in its diagnosis and aligned with the culture and resources of the organization and its community, a good strategic planning process results in a plan that makes common sense – a plan which (literally or figuratively) sits dog-eared on a staff member's desk, rather than untouched on a forgotten shelf. From there, the three definitions of Alignment cited earlier in this chapter now provide insights into three recommendations for the effective ongoing strategic management of the organization:

- An arrangement of items in relationship to each other leads an arts organization to focus on strengths
- Agreement on a common purpose demands that arts leaders should always be asking themselves why the world needs their arts organization (Favaro and Kleiner, 2013)
- The route of a road or railway, the image of the connection between the here and now to there and then, means keep it simple

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